Department	**Economic Development**	**SCH. #**	**05-252**
Program	**Film and Video**	**Analyst: Julie Samson**	

Issue: The number of full length productions shot in Louisiana has decreased dramatically over the previous fiscal year.

Indicator: Full length productions shot in state

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	13
Q1					CURRENT YR TGT	11
Q2		4	1	(75.0%)	PERF STANDARD	11.0
Q3					YTD ACTUAL	1
Q4	13	11				

Indicator: Dollars left behind by on-location filming (millions)

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	36.2
Q1		6.8	6.8		CURRENT YR TGT	48.3
Q2		16.8	8.7	(48.2%)	PERF STANDARD	48.3
Q3		37.3			YTD ACTUAL	8.7
Q4	36.2	48.3				

Indicator: Other (commercials, documentaries, music videos) shot in state

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	66
Q1					CURRENT YR TGT	43
Q2		22	30	36.4%	PERF STANDARD	43
Q3					YTD ACTUAL	30
Q4	66	43				

5 YEAR HISTORY

	2002 mid-year	2001	2000	1999	1998
# of full length productions	1	13	7	10	16
$ left behind by on-location filming (millions)	8.7	28	36.2	51.1	67
Other shot in state (commercials etc)	30	66	104	43	N/A
Budget	278,382	653,343	915,649	853,645	756,738
T.O	2	6	8	8	8

Analysis of Indicators:

The indicators for Film and Video, within the Department of Economic Development, show a decrease in the number of full length productions shot in Louisiana in the current fiscal year compared to previous years. There is also a decrease in the amount of dollars left behind by on-location filming. However, the number of other film and video productions in the current fiscal year seem to be following the same trend as the previous year. These productions include things such as commercials, music videos and documentaries.

The first indicator, *Number of full length productions*, is down compared to the previous fiscal year. At midyear only one full-length production had been shot in Louisiana. This is down from a total of six in the previous year. Film and Video explains that this reduction is a direct result of Louisiana not being able to compete with other states and countries. The two main reasons cited by Film and Video were 1) the exchange rate of the U.S. dollar to that of the Canadian dollar and 2) Louisiana does not have a strong financially based incentive package as compared to other states and the world. Louisiana's current incentive program is a <u>sales tax rebate</u> for those production companies that spend one-million dollars or more. The tax rebate that was given for the one production in Louisiana this year was $48,000. The company's application for rebate showed expenditures of $1.2 million. This is not the same as the next indicator, this is total dollars spent.

The second indicator, *Dollars left behind by on-location filming*, measures the dollars spent by the production company in state. This figure at midyear was $8.7 million. This is down from last year's total of $28 million. Film and Video explains this variance by stating that fewer full-length productions were shot than anticipated. However, they also point out that this number would have been much lower if not for the commercials, music videos and documentaries shot in Louisiana. These other types of productions helped to account for dollars that were lost due to fewer full-length productions. Film and Video's objective is for the industry to have a $48.3 million economic impact on the state this fiscal year.

The above indicator is calculated using industry standards based on the number of days and the size of the crew used. This only gives an <u>estimate</u> of the dollars spent. Historically this indicator was a more precise count of dollars spent. Each production company's accountant would complete an expenditure report including costs for such things as hotel stays, food, and hires in state. Due to the reduced staff working for Film and Video it is more difficult to contact each production company and have this information provided to the state.

The third indicator, *Other (commercials, documentaries, music videos) shot in the state*, surpassed its target by thirty-six percent and is on the same trend as last year. This shows that though full-length productions are down and other types of productions are doing well in the state. Currently these types of productions <u>do not receive any incentives</u>.

Budget Impact:
Film and Video has seen a decrease in both its budget and its authorized positions over the past several years In FY'01 the office was functioning with a staff of 6 and a budget of $653,343. Since that time the number of positions has been reduced to 2 and the budget to $278,382. These reductions are a result of Film and Video being moved into the Department of Economic Development under the reorganization. Also under reorganization the Department created the position of entertainment cluster professional.

The four positions that were eliminated were film sight liaisons. These individuals worked directly with each production company. They would work with the company from the very beginning of the process and helped to attract them to Louisiana. They would then continue working with them once the decision to film in Louisiana was made. These individuals had the ability to gather the information needed in the second indicator, *Dollars left behind by on-location filming.*

The Department's new entertainment cluster professional's responsibility is to build an entertainment infrastructure within Louisiana. This individual does not work with production companies that are interested in using Louisiana as the location of one of their films. According to DED the cluster profession is interested in developing the needed resources for the entertainment industry to develop in Louisiana over time.

Film and Video's budget consists of the following :

Salaries & Related Benefits	$134,851	48%
Travel	$ 11,000	4%
Operating Services	$ 17,700	6%
Supplies	$ 1,332	1%
Professional Services	$ 14,000	5%
Special Marketing	$ 44,429	16%
Film and Video Directory	$ 55,000	20%

Costs for advertisement, automotive expenses and insurance are paid out of the Office of the Secretary. There are also additional dollars spent for the entertainment cluster.

LFO Comment:
Film and Video needs to adjust its performance indicators before the next fiscal year. If the current trend in the film industry continues, Louisiana may be seeing fewer full-length productions and more commercials, videos and documentaries. Film and Video also needs to consider the merits of using *"Dollars left behind by on-location filming"* as an indicator in the future, since this is not a true measure and only an estimation based on industry standards. However, it should be recognized that the agency found a way to measure this

indicator under the current circumstances.

Other than making adjustment to performance standards and targets, Louisiana needs to make decisions pertaining to the future direction the state will take in relation to the film and video market. Does Louisiana want to be more aggressive in the recruitment of full-length films? And if so, at what cost? Should Louisiana concentrate more in the area of other types of productions such as commercials, music videos and documentaries? And does the state want to give tax breaks to a baseline that already exists? Film and Video's staff was reduced by four, thereby making it virtually impossible for the Office to work directly with each production company. Now DED wants to give these same production companies a tax break to film in Louisiana. Does Louisiana want to substitute services with tax incentives?

Department: Corrections **SCH. # 08-400**

Agency: Corrections Administration Adult Services **Analyst: Chris Keaton**

Issue: Act 403 (Senate Bill 239) of the 2001 Regular Session repealed certain mandatory minimum sentences for nonviolent crimes and created a Risk Review Panel which would evaluate and recommend the release of certain nonviolent inmates. It was estimated that approximately 400 inmates would be released in 2001-02 which would result in a cost savings of $3 million. As of February 1, 2002, no inmates have been released.

Indicator: Number of Risk Review Panel cases granted parole or pardon by the Pardon and Parole Board.

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	N/A
Q1	N/A	80	0	N/A	CURRENT YR TGT	80
Q2	N/A	80	0	(100.0%)	PERF STANDARD	80
Q3	N/A	80	N/A	N/A	YTD ACTUAL	0
Q4	N/A	80	N/A	NA		

Analysis of Indicators:

The Department of Corrections Risk Review Panel has received 8,344 applications from inmates requesting a review. The Panel has held 12 hearings from October 2001 to February 2002 and has acted upon 294 cases with the following recommendations:

Referred to Pardon Board	65
Referred to Parole Board	2
Referred to Impact Program	4
Referred to Work Release	27
Deferred	15
No Action	11
No Action - Close of Parole Date	20
Denied	109
Denied - may reapply in 6 to 9 months or 1 yr.	41
TOTAL	**294**

Budget Impact:

During the 2001 Regular Session, the Department of Corrections Sheriffs' Housing of State Inmates budget was reduced by $3.2 million to account for the estimated cost savings associated with the release of non-violent offenders who were recommended by the Risk Review Panel. Currently, no inmates have been released and therefore no cost savings have been realized. Current estimates by the Department of Corrections predict an approximate $8 million budget deficit in the Sheriffs' Housing of State Inmates 2001-02 budget, partly attributable to no inmates being released through this program.

LFO Comment:

While the Department of Corrections, through the Risk Review Panel, has worked to make recommendations to the Pardon and Parole Boards, these boards have not met to take action on these recommendations. The Legislative Fiscal Office has been unable to ascertain why the boards have not yet met on these recommendations.

Projections for potential cost savings associated with the Risk Review Program, as well as other initiatives to release non-violent offenders, need to be reevaluated so that the Department of Corrections' budget can be properly adjusted to provide for the incarceration of state inmates in its custody. Performance targets associated with the Risk Review Panel should also be adjusted to provide a more accurate reflection of this program's recent efforts.

Health and Hospitals **Office of Secretary** **SCH. # 09-305**
Analyst: Brian Crow

Issue: **UPDATE--Increased reports of abuse, neglect, exploitation, and extortion for disabled adults aged 18 through 59.**
Indicator: **Number of investigations completed**

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	1,104
Q1					CURRENT YEAR TARGET	800
Q2	427	400	337	(15.8%)	PERFORMANCE STANDARD	800
Q3					YTD ACTUAL	337
Q4					VARIANCE FROM STANDARD	-57.9%

Indicator: **Number of clients served**

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	1007
Q1	273	219	218	(0.5%)	CURRENT YEAR TARGET	875
Q2	498	437	410	(6.2%)	PERFORMANCE STANDARD	875
Q3					YTD ACTUAL	410
Q4					VARIANCE FROM STANDARD	-53.1%

Analysis of Indicators:
The objective of DHH is, through the Bureau of Protective Services (BPS), to complete investigations of assigned reports of abuse neglect, exploitation, and extortion for disabled adults age 18 through 59 in accordance with policy and make appropriate referrals for corrective action.

It is the responsibility of the BPS to investigate and arrange for services to protect disabled adults at risk of abuse, neglect, exploitation, or extortion. BPS clients may include people who are mentally retarded, mentally ill, or have substance abuse problems, and those with medical problems or physical disabilities. For FY 01, the agency exceeded the target of 800 completed investigations by 304 (38%). For FY 02, mid-year reports indicate that BPS is not meeting the target of 400 completed investigations and has a 15.8% variance between the target (400) and actuals (337).

Information provided by BPS indicates that the increase in FY 01 was relative to the following: 1) an increase in the population served as clients are being moved from institutions to homes or apartments; 2) an increase in the total number of community based services provided; 3) an overall increase in the awareness of the existence of the program (the program was implemented in 1994 and has made a serious effort to increase knowledge of its services and now has an 800 number and a web site to file complaints); and 4) adequate investigative staff to complete investigations in a timely manner.

For FY 02, BPS indicates that the section has not been able to meet the target of 400 completed reports by mid-year due to turnover of investigators (5 experienced investigators resigned between 12/00 and 10/01). BPS did not receive permission to hire the 1st replacement for 6 months due to a DHH hiring freeze After hiring the 1st new investigator, it took approximately 3 months per investigator to fill the other 4 positions. BPS anticipates completion of the required number of cases to meet the year-end performance standard of 800.

BPS received approximately 462 complaints by mid-year of FY 02, and 337 complaints (cases) were opened and completed. The complaints were received as follows: 1) hospitals (17.5%); 2) family members (17.5%); 3) service agencies (11.8%); and 4) friends or neighbors (11.2%). The remaining 42.0% came from other sources such as law enforcement, OCDD, OMH, other relatives, or other providers.

The 462 complaints (some multiple) were received against individuals as follows: 1) parent (26.9%); 2) sibling (17.3%); 3) friend/neighbor (14.6%); 4) other relative (12.6%); 5) child (9.3); 6) other/unknown (9.0%); 7) spouse (7.4%); 8) provider/agency; and (2.9%).

Once a complaint is received, it is assigned one of three priorities as follows: Priority 1--requires a Social Services Specialist to initiate an investigation within 24 hours; Priority 2--requires a Social Services Specialist to initiate an investigation within 5 days (the most common priority); and Priority 3--requires a Social Services Specialist to initiate an investigation within 10 days. Additionally, it is the goal of PBS to complete investigations of complaints within 50 days. For FY 01, investigations were completed within 31 days; for FY 02, investigations have been completed within 33 days (target of 50 days). Information provided by BPS indicates that the time to complete investigations has been shortened by changing the method of reporting from a “paper system” to an “electronic system”.

Budget Impact:
BPS had a standstill budget for the past three years. The total program funding for the last three years is as follows: FY 00: $1,077,249; FY 01: $1,002,135; FY 02: $1,220,640. The program has 24 authorized positions (23 are currently filled). Of the 24 positions, 15 are Social Service Specialists and are located throughout the 9 DHH Regions in the state. Regions 1 (Orleans) and 2 (Baton Rouge) have 3 positions per region; Region 6 (Alexandria) and 7 (Shreveport) have 2 positions per region; and all other regions (Thibodaux-Houma, Lafayette, Lake Charles, Monroe, and Hammond-Mandeville) have 1 position per region. For FY 03, BPS will request an additional $215,000 (increase from

$1,220,640 to $1,435,640) and 6 positions--1 clerical for the Baton Rouge office and 5 Social Service Specialists. If the request is approved by the administration or the Legislature, BPS will add 1 position to each of the five regions that currently have only 1 person in the region.

LFO Comment:
For FY 01, BPS was able to complete 307 (38.7%) more investigations of abuse neglect, exploitation, and extortion for disabled adults age 18 through 59 than the performance standard of 800 predicted. Additionally, the program will likely show a significant variance for FY 02 as no revision to performance indicators was requested during the appropriation process for FY 02. BPS has requested revisions to performance standards for FY 03 as follows: 1) increase "Number of investigstions completed" from 800 to 1,000; and 2) increase "Number of clients served" from 875 to 925. BPS also indicated that the section was in the process of reevaluating all performance related data for FY 03.

Issue: **Decrease in the number of facilities sanctioned for non-compliance**
Indicator: **Number of facilities sanctioned**

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
Q1					PRIOR YEAR	237
Q2	106	113	90	(20.4%)	CURRENT YEAR TARGET	237
Q3					PERFORMANCE STANDARD	135
Q4					YTD ACTUAL	90
					VARIANCE FROM STANDARD	-33.3%

Indicator: **Number of facilities terminated**

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
Q1					PRIOR YEAR	9
Q2	9	6	6	0.0%	CURRENT YEAR TARGET	12
Q3					PERFORMANCE STANDARD	12
Q4					YTD ACTUAL	9
					VARIANCE FROM STANDARD	-25.0%

Analysis of Indicators:
The objective of DHH is, through the Health Standard activity, to perform 100% of required state licensing and complaint surveys of healthcare facilities and federally mandated certification of health care providers participating in Medicare and/or Medicaid.

The Health Standards Section (HSS) of DHH has the primary responsibility for the licensing and certification of all health care facilities in the state. State laws and regulations, and federal regulations from the Centers for Medicare and Medicaid Services (CMS) are used to sustain the frequency and scope of licensing surveys so as to ensure the health and safety of the citizens of Louisiana served in appropriate health care facilities.

Statewide, HSS certifies or licenses approximately 3,497 health care facilities and/or providers. Of the 3,497, approximately 2,407 are state licensed and certified, and include the following: 1) Hospitals; 2) Ambulatory Surgical Centers; 3) Home Health Agencies; 4) Hospice Providers; 5) Nursing Homes; 6) ICF/MR Facilities; 7) Mental Health Clinics; 8) Substance Abuse Facilities; 9) Rural Health Clinics; 10) Urine Drug Screening Labs; and 11) Emergency Medical Transportation (ground and air). HSS also certifies an additional 1,090 facilities and/or providers that are covered by federal regulations and include the following: 1) Outpatient Physical Therapy and Speech Therapy; 2) Comprehensive

Rehabilitation Facilities; 3) Portable X-ray Providers; 4) End Stage Renal Disease Facilities; 7) Community Mental Health Centers; and 8) Nurse Aid Training Schools.

For FY 02 mid-year, HSS issued 90 sanctions as compared to a target of 113 (20.4% under the target). HSS attributes this decrease to the fact that 25-30 recommendations have been submitted for Civil Money Penalties (CMP) and are pending final review. The 90 sanctions were imposed as follows:

1) Nursing Homes: 52 (CMP of $38,500) and 11 for denial of payment for new admits. Of the 52, 7% of the CMP were due to immediate jeopardy situations such as hot water temperatures that exceeded the limit of 120 degrees, life safety code violations (usually a fire alarm problem), and the use of restraints that were improperly applied and created a situation for potential serious injury;

2) ICF/MR: 2 (CMP of $2,000) sanctions for actual harm to a client (weight loss and neglect).

3) Home Health and Hospice: 8 sanctions for failure to meet patient care standards;

4) Hospitals: 5 (CMP of $3,300) for failure to meet patient care standards;

5) Non-Emergency Medical Transportation: 10 suspensions from operation due to the lack of insurance; and

6) Other Title-18: 2 (1 Outpatient Physical Therapy and 1 Comprehensive Rehabilitation Facility) for failure to meet conditions of participation on the initial survey.

HSS did meet the target of 6 provider terminations for FY 02 mid-year. The 6 providers that were terminated in FY 02 are as follows:

1) Physicians: 3 for license suspension as a result of action by the Board of Medical Examiners relative to controlled dangerous substance violations;

2) Home Health: 1 for failure to respond to state agency-- went out of business;

3) Outpatient Physical Therapy: 1 for failure to respond to state agency-- went out of business; and

4) Comprehensive Rehabilitation Facilities: 1 for failure to respond to state agency-- went out of business.

Budget Impact:

The budget for the HSS unit for the past three fiscal years is as follows:

Health Standards Section	FY 00		FY 01		FY 02		Increase from
Program	**Budget**	**FTEs**	**Budget**	**FTEs**	**Budget**	**FTEs**	**FY 00**
Survey/certification-Medicare	$3,546,402	64	$3,720,043	64	$4,142,078	66	16.8%
Survey/certification-Medicaid	$4,610,806	74	$4,848,536	76	$5,046,983	75	9.5%
State Licensure	$2,104,597	31	$2,122,930	28	$2,180,477	29	3.6%
Total	**$10,261,805**	**169**	**$10,691,509**	**168**	**$11,369,538**	**170**	**10.8%**
Additional administration /specialty surveyors		29		26		34	
Total FTEs (T.O.)		**198**		**194**		**204**	**3.0%**

The total budget for HSS has increased by 10.8% from FY 00 to FY 02. The state portion has increased by 1.4% for the same period (from $3.40 million to $3.44 million) The federal reimbursement methodology for HSS is as follows: 1) CMS reimburses 100% of expenditures for Medicare Survey activities; 2) CMS reimburses 75% of expenditures for Medicaid Survey activities; and 3) the state is responsible for 100% of state licensure activities. The effective match rate for the program for FY 02 is 30.3% state and 69.7% federal (currently 70.36% federal rate for the Medicaid program).

LFO Comment:

HSS issued a lower number of sanctions (20.4%) for FY 02 mid-year as compared to the target of 113. Discussions with administrative personnel responsible for the operation of the program indicate that turnover in review staff (one legal staff person that performed final review took another position) delayed the completion of the 25-30 recommendations for CMP that would have allowed HSS to meet the mid-year target. HSS indicates that another person is now performing final reviews of CMP sanctions and should meet and/or exceed year-end performance standard of 135 facilities sanctioned. As of 3/1/02, HSS has processed an additional 62 CMP and other sanctions. Should HSS continue at the same rate achieved in the 3rd quarter of FY 02, the section will likely exceed the performance standard of 135 sanctions by 75% (for FY 01--237 sanctions vs. a standard of 135). HSS should reevaluate this entire performance indicator for FY 03 and make the necessary revisions to accurately reflect the level of survey and sanction activities projected.

DHH **Office of Mental Health (OMH)** **SCH. # 09-330**
Analyst: Kristy Freeman

Issue: **Excessive failure to meet performance indicators**

Indicator: **Percentage of adult and child/adolescent client services' performance indicators met statewide (Area A, B, C)**

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	80
Q1					CURRENT YR TGT	80
Q2	80	80	42	(47.5%)	PERF STANDARD	80
Q3					YTD ACTUAL	42
Q4	80	80	N/A	N/A		

Analysis of Indicators:
OMH was only able to meet 42% of the adult, child and adolescent client services' performance indicators. This indicator is a cumulative indicator for all three Mental Health Service Areas. Below is how each individual area did:

Agency	Number of Indicators	Number out of Variance	Percentage out of Variance
09-331 - Area C	35	16	45.7%
09-332 - Area B	47	25	53.2%
09-333 - Area A	60	43	71.7%

The agency indicated that the performance indicators were unmet due to:

1) Staff shortage - The staff shortage was due to noncompetitive pay, employee turnover and the loss of experienced personnel, which was caused in part by the Early Retirement and Payroll Reduction Act 844 of 2001. Without additional positions or a shift in existing personnel to meet the current workflow, it is unlikely that their targets can be met.

2) Acuity levels - Many of the patients that are in the OMH system are those with high acuity levels and require lengthy treatments. The patients with the most severe illnesses are in the state hospitals and are not appropriate for a group home and/or a community setting.

3) Unrealistic standards - OMH's performance standards need to be revised. It seems many of the indicators are not based on prior year actuals. Also, there is a lag time between setting the standards and when the standards are actually imposed.

Budget Impact:
This issue will need to be addressed during the forthcoming appropriations process to ensure that adequate resources and performance measures are available to help accomplish OMH's objectives.

LFO Comment:
See Table 1 for an example of the performance standards that are not being met and the explanations. More attention needs to be paid with setting performance standards and targets. Is there a basis to the standard that is being made? Prior year actuals are a good index and are not used in many instances. Also, the agency had an opportunity to adjust their performance indicators at August 15th and didn't. Area C adjusted four indicators (cost per community participant, total persons served, overall cost per patient day and overall average daily census) and Area B and A only adjusted one indicator (cost per community participant).

Table 1 - Office of Mental Health (OMH)
FY 02 Mid-Year Performance Standards

Agency	Program	Performance Indicator Name	Prior Year	Standard	Target	Actual	Variance	Notes
Office of Mental Health								
330	Administration and Support	Percentage of adult and child/adolescent client services performance indicators met statewide (Areas A, B, C)	80	80	80	42	-47.50%	Due to staffing shortages, severity of persons served, reduced inpatient admissions, bed reductions, and other factors noted in the second quarter notes of each indicator that is not within expected variance.
Central Louisiana State Hospital - Area C								
331	Administration and Support	Percentage of adult and child/adolescent client services performance indicators met	82	82	82	62.5	-23.8%	The Performance Standard of 82 was derived by dividing 7 met Key Indicators and 2 met Supplemental Indicators (total of 11) by the 18 unmet Key indicators. The actual performance at this time is 62.5% and each of the indicators which were not met will be
331	Patient Care	Specialized Inpatient Services at Central La State Hospital (Adults/Children/Adolescents) - Total persons served	464	470	327	299	-8.56%	Due to sustained cuts in staffing and budget, our admissions were kept lower, thus resulting in a somewhat lower number of clients served. Based on the current trend of admissions on the Children and Adolescent Units, the recommendation is that the target
331	Patient Care	Specialized Inpatient Services at Central La State Hospital (Adults/Children/Adolescents) - Overall cost per patient day	305.3	300	300	316	5.33%	We are performing very close to expectation. The variance is just barely at the reportable level and indicates that we are keeping our costs down to very manageable levels.
331	Patient Care	*Adult Struct. Rehab. Services (Male For.) - Average length of stay in days	1106	798	798	1160	45.36%	There was only one discharge during this quarter from this forensic population. That discharge had a LOS of 2373 days, and the previous quarter was 1109 (a total of 3482), ergo the ALOS 1160. This was unavoidable.
331	Patient Care	Adolescent Psychiatric Inpatient Services - Total adolescents served	191	211	119	113	-5.04%	This variance is barely reportable at exactly 5%. We are fairly on target based upon our projection for this unit since we have kept our admissions low due to a shortage in physician coverage which should be remedied this coming quarter.
331	Patient Care	Adolescent Psyc. Inpatient Services - Average daily census	27.3	31	31	19	-38.71%	This is a direct result of our limited admissions. Once we have our appropriate medical coverage in place this coming quarter, this should improve.
331	Patient Care	*Child Psyc. Inpatient Services - Total children served	28	42	24	31	29.17%	This note really applies to all of the indicators dealing with our very limited number of children. We have had significant problems retaining qualified physicians on this unit and have had to severely reduce the number of children we would normally admit
Eastern Louisiana Mental Health System - Area B								
332	Administration and Support	Percentage of adult and child/adolescent client services performance indicators met	80	80	80	56	-30.00%	The indicators had greater variances this quarter for several reasons. Current and potential clients have more severe illnesses and are requiring lengthy, individualized treatment. This caused unusual variances within several programs and numerous indicat
332	Patient Care	Community Treatment & Support - Average cost per community participant in CMHCs area-wide	1363	1915	936	763	-18.48%	Due to natural delays in the payment process, and organizational procedural changes, the midyear expenditure report does not reflect the up-to-date expenses of the CMHC's. Some expenses (i.e. contract payments) may have a two month lag time. Reports shoul
332	Patient Care	Adult Acute Inpatient Services in East Division - Greenwell Springs - Total adults served	884	1000	488	425	-12.91%	The severity of several patients has caused longer lengths of stay; therefore, less beds are available for admissions.
332	Patient Care	*Adult Acute Inpatient Services in East Division - Greenwell Springs - Overall cost per patient day	467	372	372	474	27.42%	The extra pay period in this quarter, combined with the annual risk management premiums and a pay increase for Psychiatric Aides, caused costs to be higher than targeted.
332	Patient Care	*Adult Acute Inpatient Services in East Division - Greenwell Springs - Overall average daily census	39	41	41	37	-9.76%	The severity of the patients requires more individualized treatment; therefore limiting the number of patients that can be served.
332	Patient Care	Community Treatment & Support - ICF-MR (Intermediate Care Facility for Mentally Retarded) Group Home - East Division - Total adults served	18	20	15	13	-13.33%	Many clients are being reviewed but are not appropriate for the group home setting; therefore, admissions are down.
332	Patient Care	*Specialized Inpatient Services - East Division - Jackson Campus - Overall cost per patient day	302	239	239	302	26.36%	The extra pay period, combined with the annual risk management premiums and a pay increase for Psychiatric Aides, caused costs to be higher than targeted.

Table 1 - Office of Mental Health (OMH)
FY 02 Mid-Year Performance Standards

Agency	Program	Performance Indicator Name	Prior Year	Standard	Target	Actual	Variance	Notes
332	Patient Care	Specialized Inpatient Services - East Division - Jackson Campus - Overall average daily census	241	250	250	269	7.60%	The targeted was exceeded due to the addition of 50 Competency Restoration beds in the East Division.
332	Patient Care	*Specialized Inpatient Services - Forensic Division - Overall cost per patient day	271	200	200	288	44.00%	The extra pay period, combined with the annual risk management premiums and a pay increase for Correctional Guards-Therapeutic, caused costs to be higher than targeted.
Southeast Louisiana Hospital - Area A								
09-333	Administration and Support	Percentage of adult and child/adolescent client services performance indicators met	80	80	80	79.5	-0.63%	***The LFO disagrees with this calculation. Area A has 60 total indicators with 43 being out of variance (72%). This means the actual variance between the target (80%) and the actual indicators MET (28%) is a 65% variance.
333	Patient Care	*Specialized Inpatient Services - Adult Psychiatric Inpatient Services at Southeast Louisiana State Hospital (SELH) - Average length of stay in days	196	148	148	220	48.65%	SELH has been operating with restrictions on admissions due to the severe staff shortages experienced in the first 6 mos. With fewer beds staffed and available, only the most severely ill patients can be admitted. The acuity level of the patients has resu
333	Patient Care	Specialized Inpatient Services - Adult Psychiatric Inpatient Services at Southeast Louisiana State Hospital (SELH) - Average daily census	111	121	121	83	-31.40%	Severe staff shortages have forced the hospital to operate fewer beds. With fewer beds available, SELH has not been able to serve as many patients as had been projected; thus, the average daily census is lower.
333	Patient Care	Specialized Inpatient Services - Adult Psychiatric Inpatient Services at Southeast Louisiana State Hospital (SELH) - Average cost per day	274	246	246	377	53.25%	Average cost is higher because restricted admissions have decreased the number of patient days. Fixed costs remain high, and ORM premiums of $1 Million were paid in the 2nd quarter.
333	Patient Care	Specialized Inpatient Services - Adolescent Psychiatric Inpatient Services at Southeast La. State Hospital (SELH) - Total adolescents served	216	126	63	69	9.52%	The Adolescent Unit and the Brief Stay New Hope" Unit have been combined into one unit for the time being as a result of severe staff shortages and restrictions on admissions. The "Target" figures are no longer realistic. The severe staff shortages have r
333	Patient Care	Specialized Inpatient Services - Adolescent Psychiatric Inpatient Services at Southeast La. State Hospital (SELH) - Average daily census	22	22	22	13	-40.91%	Target figures are no longer practical for the downsized, combined unit. With fewer beds available, SELH has been able to serve fewer consumers in this population group than was anticipated when targets were established.
333	Patient Care	Specialized Inpatient Services at Southeast La. State Hospital (Overall program indicators) - Total persons served	584	660	355	266	-25.07%	The ongoing severe staff shortages force restrictions on admissions to remain in place. With fewer beds available, fewer clients can be served.
333	Patient Care	Specialized Inpatient Services at NOAH (Overall program indicators) - Total persons served	290	500	250	134	-46.40%	The reason for the reduced number of clients served lies in a combination of factors, but primary consideration is that the targets were developed when the hospital had 47 beds for adolescents and 24 beds for children. We now have 20 beds for adolescents

**Prior Year would have been a good basis.*

DSS **Office of Family Support** **SCH. # 10-355**
Analyst: Mark Antoon

Issue: **Large variance in Child Care Assistance**

Indicator: Child Care Assistance: Total annual payments (in millions)

QUARTERLY	PRIOR YEAR	CURRENT EST	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	105.3
Q1	105.3	90	23.1	(74.3%)	CURRENT YEAR TARGET	154.4
					PERFORMANCE STANDARD	77.2
					YTD ACTUAL	45.2
Q2	105.3	90	45.2	(49.8%)	VARIANCE FROM STANDARD	(41.5%)

Indicator: Number of Children Served Monthly

QUARTERLY	PRIOR YEAR	CURRENT EST	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	36,950
					CURRENT YEAR TARGET	42,000
Q1	36,950	42,000	37,283	(11.2%)	PERFORMANCE STANDARD	42,000
					YTD ACTUAL	37,310
Q2	36,950	42,000	37,310	(11.2%)	VARIANCE FROM STANDARD	(11.2%)

Indicator: Number of Child Care Providers Monthly

QUARTERLY	PRIOR YEAR	CURRENT EST	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	6,148
					CURRENT YEAR TARGET	6,002
Q1	6,148	6,002	5,549	(7.5%)	PERFORMANCE STANDARD	6,002
					YTD ACTUAL	6,198
Q2	6,148	6,002	6,198	3.3%	VARIANCE FROM STANDARD	3.3%

Analysis of Indicators

One of the chief impediments facing poor people who are trying to get off welfare is finding affordable and quality child care with the reasoning that a parent cannot enter the workforce if they have to remain at home to take care of children. Consequently, the Department of Social Services makes child care assistance available to eligible families.

Department: Environmental Quality **SCH. # 13-850**

Agency: Office of Secretary **Analyst: Robert Hosse**

Issue: Additional releases of contaminants at 2 facilities precluded final assessment and determination that proper controls are in place to prevent migration of contaminants. These sites will have to undergo further investigation before a final determination can be made that adequate controls are in place.

Indicator: Cumulative percent of high priority facilities with controls in place to prevent migration of contaminated groundwater releases (key indicator)

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	46
Q1		48	48	0.0%	CURRENT YR TGT	61
Q2		54	50	(7.4%)	PERF STANDARD	61
Q3		57	N/A	N/A	YTD ACTUAL	50
Q4	46	61	N/A	N/A		

Indicator: Number of high priority facilities with controls in place to prevent migration of contaminated groundwater releases (supporting indicator)

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	21
Q1		N/A	N/A	N/A	CURRENT YR TGT	28
Q2		25	23	(8.0%)	PERF STANDARD	28
Q3		NA	N/A	N/A	YTD ACTUAL	23
Q4	21	28	N/A	N/A		

Analysis of Indicators:

DEQ missed its 2nd quarter target of having controls in place to prevent migration of contaminated groundwater releases on 54% of high priority facilities. Only 50%, or 23 out of 46 of these facilities have these controls in place. The supporting indicator reflects this missed target on the basis of absolute numbers, 23 out of 46 such facilities with controls in place instead of the target of 25 facilities. The department missed its target because additional contaminants to groundwater have been detected in two facilities which were close to being finally determined to have adequate controls in place for known releases. These facilities will now have to undergo additional investigation prior to departmental assessment and determination.

Budget Impact:

There is no anticipated budget impact as a result of missing the indicators' targets. The investigation will be carried out by the facilities in question, and will be overseen by DEQ. The department should be able to undertake the oversight duties of these additional investigations without further resources in either this fiscal year or next fiscal year.

LFO Comment:

The additional release of contaminants may delay the achievement of these indicators' targets through the 3rd quarter, or perhaps through the end of the year. The investigations necessary due to additional releases can often take a significant period of time to be completed. However, the remaining facilities are concurrently being investigated and some of these facilities may be determined to have adequate controls in place by the end of the year.

Department: Environmental Quality **SCH. # 13-852**

Agency: Office of Environmental Services **Analyst: Robert Hosse**

Issue: The objective of this indicator is to provide effective radiation protection by processing 98% of the applications within 30 days of receipt. DEQ has addressed their personnel issues as they impacted this performance indicator and has sufficient resources in the current year to meet its target.

Indicator: Percentage of radioactive material applications for registration, licensing and certification processed within 30 days of receipt

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	93
Q1	93	98	97	(1.0%)	CURRENT YR TGT	98
Q2	85	98	100	2.0%	PERF STANDARD	98
Q3	88.25	98	N/A	N/A	YTD ACTUAL	100
Q4	93	98	N/A	N/A		

Analysis of Indicators:
DEQ was only able to process 85% of radioactive material applications within their 30 day time frame for their FY 2001 2nd quarter target. This was due in part to the loss of an experienced person and a freeze on hiring which was implemented to avoid layoffs to meet an 85 position reduction in their FY 2002 budget (63 positions were added back in the FY 02 Appropriations Bill). DEQ addressed this problem by filling 1 vacant position in February, 2001, to perform X-ray registration reviews, and by so doing increased their process performance to 88.25% of applications by the 3rd quarter, and approximately 93% by the end of FY 01. DEQ shifted additional personnel to address this activity during the 1st quarter of the current year, increasing positions from 5 to 8, and managed to process approximately 97% of these applications during this time period. Out of these 8 positions, the department has 7 filled positions (1 position was vacated on October 12, 2001). DEQ has "caught up" on the processing of these applications and was able to process all such applications by the end of the 2nd quarter of this fiscal year.

Budget Impact:
There is no direct budget impact associated with this indicator at this time. The department appears to have shifted adequate resources to address the activities required within this

program, if it can retain individuals within these positions.

LFO Comment:

Failure to process these applications could impact the private sector to the extent that there are delays in certifying radiological equipment prior to its use. These delays can impact both the operating revenues of these private entities and in some cases the use of this equipment for diagnosis or treatment of individuals. DEQ addressed their staffing problems within this program and has adequate funds and personnel resources in the current year to attain their indicator targets. Fiscal Year 2003 Executive Budget Recommendations will need to be reviewed to determine the liklihood of maintaining this level of effort next fiscal year.

Department	**Agency**	**LSUHSC -HCSD**	**SCH. #**	**19-610**
			Analyst:	**Shawn H.**

Issue: Utilization - all hospitals

Indicator: Average Daily Census

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
Q1					CURRENT YR TGT	988.9
Q2		978.5	930.3	(4.9%)	PERF STANDARD	1,005
Q3					YTD ACTUAL	930.3
Q4						

(Annual: PRIOR YR 1005)

Analysis of Indicators:

The Average Daily Census (ADC)is a measure of the average number of inpatients occupying acute care beds in a hospital on any given day. The formula divides the total number of acute care inpatient days in a hospital by the number of days in a reporting period.

As a system, the average daily census was 4.9% lower than the second quarter target. Although the system fell within a 5% variance, seven (7) of the nine (9) HCSD hospitals had a variance outside of 5%. The table below compares target to actual by hospital.

Hospital	**Target**	**Actual**	**% Change**
E.A. Conway	116	108	**(6.9%)**
E.K. Long	110	103.6	**(5.8%)**
H. P. Long	51	49	(3.9%)
University	90.6	83.8	**(7.5%)**
W.O. Moss	36	30.5	**(15.3%)**
Lallie Kemp	25	22.3	**(10.8%)**
W./St. Tammany	22.2	24.8	**11.7%**
L.J. Chabert	76.7	70.3	**(8.3%)**
MCLNO	451	438	(2.9%)
TOTAL	978.5	930.3	(4.9%)

Department: Civil Service **SCH. #** 17-563

Agency: State Police Commission **Analyst:** K. Sewell

Issue: No performance data was reported for the second quarter of FY 02.

Indicator:

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	0
Q1	0	0	0	0.0%	CURRENT YR TGT	0
Q2	0	0	0	0.0%	PERF STANDARD	0
Q3		0	0	0.0%	YTD ACTUAL	0
Q4	0	0	0	0.0%		

Analysis of Indicators:
The State Police Commission did not report its actual performance data for the key indicators for the second quarter of FY 2002.

Budget Impact:
The State Police Commission's budget for FY 02 is $397,414. It is impossible to evaluate the performance of this agency without the proper data.

LFO Comment:
Future reporting should provide complete and accurate reporting of performance data. When contacted, the State Police Commission provided no rationale for not reporting its data for the second quarter. This office advised the agency to contact the Office of Budget and Planning.

Lapas notes the factors affecting the average daily census at individual hospitals. Below is an explanation in Lapas by hospital:

E.A. Conway - Actual is 6.9% lower than the second quarter target. Due to staffing constraints, the hospital has had to close beds.

E.K. Long - Actual is 5.8% lower than the second quarter target. Due to staffing constraints, the hospital has had to close beds.

H.P. Long - Actual is 3.9% lower than the second quarter target. This utilization figure falls within a 5 % variance.

University - Actual is 7.5% lower than the second quarter target. Due to staffing constraints, the hospital has had to close beds. Budget cuts have also led to bed closures. Disease Management has decreased hospital admissions.

W.O. Moss - Actual is 15.3% lower than the second quarter target. Due to staffing constraints, the hospital has had to close beds.

Lallie Kemp - Actual is 10.8% lower than the second quarter target. Due to a change from a contracted Internal Medicine Group to the hospital hiring its own Internal Medicine group, census fell.

Washington St. Tammany - Actual is 11.7% higher than the second quarter target. Due to a spike from cold and flu season, actual census was higher than projected.

L.J. Chabert - Actual is 8.3 % lower than the second quarter target. Due to an increase in Disease Management efforts, actual census was lower than projected.

MCLNO - Actual is 2.9% lower than the second quarter target

The above noted Lapas explanations reveal that nursing shortages, in large part, have caused the closing of beds. However, the number of staffed beds has remained unchanged. It is possible that Disease Management initiatives have resulted in less less inpatient care, as stated in University Medical Center and L.J. Chabert Medical Center explanations.

Budget Impact:

The average daily census indicator, along with other utilization indicators suggest that overall utilization is down. This indicator will be monitored through year end to attempt to determine if this is simply a temporary decrease in utilization, or a trend. A down trend in utilization could affect revenue into the hospitals.

LFO Comment:

Aside from the utilization indicators in the appropriation bill, other indicators suggest an overall reduction in utilization. When comparing the first 6 months in FY01 to the first 6 months in FY02, total admissions are down 8.4%, total inpatient days are down 6.6%, total percent (%) occupancy is down 5.4%, and total outpatient visits are down 2.2%.

Changes in budget from year to year should not result in significant variances from targets, because indicators are changed annually to reflect new budget levels. However, mid-year budget cuts and reductions in reimbursement levels could result in bed closures, thus affecting utilization, which would produce variences from targets. No cuts have been implemented at this time.

Special Schools | **LSVI** | **SCH. # 19B - 561**
Analyst: K. Sewell

Issue: **Inaccurate calculation of cost per student and double counting of student population.**

Indicator: Admin./Support Services program percentage of total appropriation.

QUARTERLY	PRIOR YEAR	CURRENT EST	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	23.6
Q1	0	0	0	0	CURRENT YR EST	22.6
Q2	23.6	22.6	24.2	7.1%	YTD ACTUAL	24.2
Q3	0	0	0	0.0%	(ANNUALIZED)	
Q4	0	0	0	0.0%		

Indicator: Total Number of Students (service load)

QUARTERLY	PRIOR YEAR	CURRENT EST	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	47
Q1	0	0	0	0	CURRENT YR EST	114
Q2	47	114	147	28.9%	YTD ACTUAL	147
Q3	0	0	0	0.0%	(ANNUALIZED)	
Q4	0	0	0	0.0%		

Indicator: Administration/Support Services Cost Per Student.

QUARTERLY	PRIOR YEAR	CURRENT EST	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	26,874
Q1	0	0	0	0.0%	CURRENT YR EST	5,373
Q2	26,874	5,373	4,796	(10.7%)	YTD ACTUAL	4,796
Q3	0	0	0	0	(ANNUALIZED)	

Analysis of Indicators:

LSVI's total appropriation for the current fiscal year is $5,290,700. The agency indicated that in order to calculate the Administration/Support Services program percentage of total appropriation, it divided the actual program expenditures for the second quarter ($549,346) by total appropriation ($2,272,022) which resulted in an actual percentage of 24.2%. The agency used the wrong number as its total appropriation. When the percentage is recalculated using the total appropriation of $5,290,700, the actual performance is 10.4%, which results in a negative variance of 54%. This means that a smaller percentage of the agency's budget is being used for Administration/Support Services than reported.

The agency indicated that during the second quarter there were 42 on-campus students and 27 off-campus students for a total of 69. However, the school incorrectly added in the student count from the first quarter 78 for a total of 147. This resulted in double counting in that the 78 students are not new. The report also indicated that its count does not subtract students that are no longer being served by the school, it only adds in new students. When the student count is recalculated to include only the students that were served during second quarter, the actual number is 69, which results in a negative variance of 39.5%.

The agency reported that the Administration/Support Services cost per student for the second quarter was $4,796. In that the total student count was incorrectly reported, the cost per student was also incorrectly reported. When the cost per student is recalculated using the actual number of students served during the second quarter(69), the actual cost is $7,962, which results in a variance of 48%.

Budget Impact:

As reported, the performance and variance for these indicators are consistent to that of similar agencies. However, in that incorrect data was reported, the true performance was exaggerated making it difficult to determine the level of efficiency of this program.

As recalculated, it appears that fewer students are being served than projected, if this trend continues the budget may be reduced to more accurately reflect the actual number of students being served.

LFO Comment:
When contacted, the LA School for the Visually Impaired provided no rationale for reporting inaccurate data for the second quarter. The LA School for the Visually Impaired should be more diligent in reporting complete and accurate performance indicator data in the future.

Higher Education	**University of New Orleans**	**SCH. #**	**19B-603**
		Analyst:	**C. Rome**

Issue: Participation in UNO's "University Success 1001" Course has declined. This one hour graded course is intended to assist students in the transition to higher education. UNO started the program in Fall 1996. UNO has found that participation in the program has increased the retention and graduation rates of students.

Indicator: Percentage of first-time UNO students enrolled in "Success 1001"

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	35%
Q1	33%	30%	27%	-10.0%	CURRENT YR TGT	40%
Q2	33%	32%	27%	-15.6%	PERF STANDARD	40%
Q3	45%	35%			YTD ACTUAL	27%
Q4	45%	40%				

Indicator: Annual % change in first-time UNO students enrolled in "Success 1001"

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	3%
Q1	0%	N/A	N/A	N/A	CURRENT YR TGT	2%
Q2	0%	2%	-11%	(650.0%)	PERF STANDARD	2%
Q3	3%				YTD ACTUAL	-11%
Q4	3%					

Indicator: Number of first-time UNO students enrolled in "Success 1001"

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	830
Q1	N/A	N/A	N/A	N/A	CURRENT YR TGT	870
Q2	N/A	686	609	-11.2%	PERF STANDARD	870
Q3	N/A				YTD ACTUAL	609
Q4	830					

Analysis of Indicators:

Data Analysis:

The University Success 1001 course is a one hour graded course available to all first-time students at UNO. The course teaches students skills such as time management, critical thinking, studying, test taking, etc. that are important to success in higher education. The course is not required to graduate.

Participation in the University Success 1001 course is down 11 percent through the second quarter compared to last fiscal year. UNO officials are not sure why the numbers of students enrolling in the course has declined. Since the course is voluntary, UNO has no direct control over student enrollment in the course.

Budget Impact:
A study by UNO found that participation in the Success 1001 course improves student retention rates by nearly 8 percent (from 64% to 69%). This UNO study also found that participation in the course increased the university's six year graduation rate by nearly 14 percent (from 21.5% to 24.5%). As such, UNO can use resources more effectively by targeting such resources towards students that are more likely to complete their education.

Given the benefit of improved student retention, the cost to operate the program is minimal. UNO employs an Executive Director over the Success program at an annual salary of $38,240. UNO also provides a $1,000 stipend to each faculty member who teaches a section of Success 1001.

LFO Comment:
The transition from high school to postsecondary education is difficult for many students. Many students do not continue their education past their first or second semester. UNO's program has shown a significant increase in student retention and six year graduation rates.

UNO wanted to make the course mandatory and required to graduate. However, UNO's University Courses and Curricula Committee rejected a motion to make the course mandatory. UNO officials pointed out that curricular decisions of this kind are made autonomously by faculty and that such decisions are not bound by institutional goals.

Approximately 71 percent of colleges and universities in the United States have some kind of program to help students in the transition to higher education. Most institutions in Louisiana have similar programs. Dr. Emad Wajeeh (UNO's Director of Institutional Research) has agreed to survey Louisiana higher education institutions to determine how many such institutions have similar program. He will also determine if the courses are mandatory, graded, and required for graduation. He will also collect any studies done by such institutions relative to the effectiveness of these programs.

The Legislative Fiscal Office recommends that the Board of Regents consider making such courses mandatory and required for graduation by all students in all public degree granting programs in Louisiana. The Board of Regents should use the information collected by Dr. Wajeeh and research on best practices in the area to develop and adopt a policy relative to such courses.

DSS has a target of 42,000, but is only serving 37,310 children by the end of the second quarter reporting period which represents a 4,690 shortfall.

Although the agency contends the state has unmet child care assistance demand, OFS attributed the decrease in children served to a decrease in payments to providers. The total payments to providers is an indication of how many children are being served. Since the total number of children served went down payments to providers decreased as well.

In FY 2001, demand for child care rose and DSS predicted a shortfall. Therefore, DSS imposed a first-come, first-serve waiting list and stricter eligibility requirements to correct the anticipated shortfall. Once the financial situation stabilized, the waiting list was abolished.

After the waiting list was abolished, more providers became available to serve children and the agency has 6,198 providers as compared with 5,549 in the first quarter of FY 02 and compared with 6,148 prior year actuals. Theoretically, with more providers and funds available, more children should be able to be served. Unless more children are attracted to the programs in the upcoming quarters, the targets will not be met for total payments to providers or in total number of children served.

Child care assistance amounts are determined by income eligibility sliding scale. In previous fiscal years, the scale had five points, starting out with 100% reimbursement for families at the poverty line with benefits going down as income goes up, depending on the number of family members.

Table 1
Changes in the reimbursement scale

FY 03 (Proposed)	100%	85%	75%		
FY 01-02	85%	70%	55%	45%	25%
FY 01	100%	85%	65%	45%	25%

Budget Impact:

Funds that are available are not being spent and people are not being served. More funding is available that will be spent - $126 million is available and the agency is projected to spent $102 million this year. In FY 01, $105.2 million was spent and in FY 03, the agency is projecting to expend $136 million.

LFO Comment:

Louisiana has one of the highest poverty rates in the country and lack of access to child care contributes to the problem. Since funding is available, more of an effort should be made by the agency to make the public more aware of Child Care Assistance available. Perhaps the certified child care providers could help certify eligible families, thus expanding awareness of the program.

Higher Education	**Southern U. at Shreveport**	**SCH. #**	**19B-618**
		Analyst:	**C. Rome**

Issue: Southern University at Shreveport (SUS) has a goal of increasing faculty research activities to 13% of the total number of full-time faculty. This goal appears inconsistent with the role, scope, and mission of SUS as defined in the Master Plan for Postsecondary Education 2001 developed by the Board of Regents.

Indicator: % of Faculty engages in research targeting teaching and learning

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
Q1	3.60%	3.25%	3.85%	18.5%	PRIOR YR	14.00%
Q2	7.14%	6.50%	15.00%	130.8%	CURRENT YR TGT	14.56%
Q3	9.62%	14.56%			PERF STANDARD	13.00%
Q4	14.28%	14.56%			YTD ACTUAL	15.00%

Analysis of Indicators:
Data Analysis:

The Master Plan for Post secondary Education 2001 (Master Plan) defines SUS as a comprehensive community college offering a selected number of associate degrees and certificate programs. There is no mention of research responsibilities in the master plan for SUS. However, SUS devotes a significant portion of faculty time based on this reported information.

The quarterly target and actual amounts increase throughout the fiscal year. It is unclear why the percentage of time devoted to research activities would increase throughout the fiscal year. The Legislative Fiscal Office has requested an explanation on why this occurs.

Budget Impact:

The Master Plan for Post secondary Education 2001 defines the role, scope, and mission for each higher education institution in the state. This plan aims to coordinate services to minimize overlap and duplication of such services provided by higher education institutions in the state. Such a coordinated system will deliver higher educational services more efficiently and effectively.

However, institutions use resources less efficiently and effectively when such resources are used for purposes or services that are inconsistent with a university's role, scope, and mission as defined in the Master Plan. SUS faculty currently use 15 percent of their time for research activities. Fifteen percent of SUS faculty represent 8.4 positions. At an average salary and benefits of $40,000 per faculty member, SUS's research activities cost the university over $300,000 per year.

LFO Comment:

SUS faculty should devote their time solely to teaching students, or to tasks that directly support teaching students as provided for in the Board of Regents' Master Plan.

Higher Education	McNeese University and Bossier Parish C. C. (BPCC)	SCH. # 19B-627/644 Analyst: C. Rome

Issues: The total number of courses offered through electronic media at McNeese increased dramatically. The total number of students enrolled in courses offered through electronic media also increased dramatically at McNeese. Bossier Parish Community College (BPCC) significantly increased the number of internet distance learning sites.

McNeese University
Indicator: Total number of courses offered through electronic media

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	30
Q1	N/A	33	33	0.0%	CURRENT YR TGT	45
Q2	N/A	33	43	30.3%	PERF STANDARD	40
Q3	N/A	45			YTD ACTUAL	43
Q4	N/A	45				

Indicator: Total number of students in courses delivered by electronic media

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	561
Q1	N/A	560	560	0.0%	CURRENT YR TGT	1,097
Q2	N/A	560	856	52.9%	PERF STANDARD	425
Q3	N/A	1,097			YTD ACTUAL	856
Q4	N/A	1,097				

Bossier Parish Community College (BPCC)
Indicator: Percentage increase in instructional delivery sites via distance education

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	200
Q1	0	0	0	0.0%	CURRENT YR TGT	1,000
Q2	100	200	1,000	400.0%	PERF STANDARD	200
Q3	200	1,000			YTD ACTUAL	1,000
Q4	200	1,000				

Indicator: Number of distance education instructional delivery sites

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	5
Q1	0	0	0	0.0%	CURRENT YR TGT	29
Q2	3	2	29	1,350.0%	PERF STANDARD	2
Q3	3	29			YTD ACTUAL	29
Q4	5	29				

Analysis of Indicators:
Data Analysis:

The dramatic growth in electronic media courses and students at McNeese is primarily due to the proliferation of internet based courses. The growth in distance education sites at BPCC is also primarily based on additional internet sites.

Budget Impact:

McNeese officials reported that these internet courses are initially taken primarily by nontraditional students. Nontraditional students are generally older students who work full-time, raise families, or have other obligations and responsibilities that prohibit their attendance in traditional physically-based classrooms. McNeese officials claim that the university can deliver electronic and internet based courses to nontraditional students at a lower cost than when delivered in traditional physically based classrooms.

McNeese officials also reported that traditional students begin to enroll more extensively in electronic courses after seeing the convenience and success of nontraditional students in such courses. Often these traditional students are adding electronic media courses to their full time course load. As such, McNeese does not receive any additional tuition or fees from such students. As such, for full time students that add electronic courses, such courses are more costly for McNeese because the University does not receive any additional tuition revenue. However, the same is true for traditional courses added by full time students.

McNeese expects that participation in electronic courses will eventually be evenly split between traditional and nontraditional students. At this mix, McNeese expects that the cost to deliver electronic courses should be approximately equal to the cost for traditional physically based classrooms.

The Legislative Fiscal Office asked BPCC for information or comment on the budgetary impact or cost effectiveness of instruction through their expanded internet related distance education sites. The BPCC official who could provide such information was out of state at a conference. The Legislative Fiscal Office will make this information available at the committee meeting if possible.

Higher education officials in Louisiana have considered the possibility of imposing an additional student fee for electronically delivered courses. To date, no such fees have been imposed.

LFO Comment:

Compressed video and internet based instruction will become increasingly important and commonplace in higher education. These technologies can lower the costs of providing educational services by eliminating the need to build and maintain physically based classrooms. Furthermore, such technologies allow dynamic interaction between students and instructors, further improving the educational process. Students can post questions to classroom forums and all students can read the responses and learn. These technologies are especially valuable to homebound, working, and other nontraditional students.

The Legislative Fiscal Office believes that electronic media will become increasingly cost effective as technology, training, and infrastructure increase. These technologies also hold great promise for minimizing overlap and duplication in the delivery of higher educational services in Louisiana. Louisiana could improve its public postsecondary educational system by having fewer academic programs and courses. By focusing on areas of excellence, greater resources would be available to improve remaining programs and courses. This goal can be greatly facilitated by electronic delivery of instruction. A qualified student in any part of Louisiana could seek their education from any institution in the State.

The Boards and Institutions of higher education in Louisiana should consider the possibility of lower tuition costs for educational services provided by internet, compressed video, and other promising technologies. Such parties should also consider removing the cap on tuition based on the arbitrary 12 hour cutoff for full-time students. Undergraduate students at institutions on semester systems are charged the same tuition amount, regardless of how many credit hours taken at 12 hours or above. Institutions should charge a fee per credit hour, regardless of the number of hours taken. Such a tuition structure would reduce dropped courses and improve staffing and facilities planning at institutions.